



DETERMINANTS AFFECTING THE AWARENESS OF TAKAFUL PRODUCTS AMONG
STUDENTS IN UiTM KBM

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“In the name of Allah, Most Gracious, Most Merciful”

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ABSTRACT

The awareness of Takaful product has been shown to be very weak among of the user, so our research is focus on a future graduates whether they aware of Takaful product or not. The primary aim of this study is to explore the main factors that can contribute to the awareness of Takaful product. The data collected through questionnaire from 217 respondents was used to test the proposed hypothesis. The survey questions designed to determine three elements of awareness which include education factors, religion factors, and subjective norms factors.

The result reveals the positive relationship of education, religion, and subjective norms with awareness of Takaful product. Factors and determinants that can help final year students aware in Takaful product have also been discussed. There are many other factors which may affect the level of awareness of Takaful but due to time constraint others are not taken for research. Moreover, the sample was also limited as the only focus was in final year UiTM KBM students based, excluding in other university.

The accuracy of the results may be influenced by biases. The results of this study have clearly shown that the independent variables which are education, religion, and subjective norms have a direct and positive impact on the dependent variable that is awareness of Takaful product which means the enhancement of one independent variable causes the enhancement in the awareness which is the dependent variable.

CHAPTER 1

INTRODUCTION

1.0 Overview

Islamic banking or Islamic finance have been improve as a form of financial medium for the Islamic population in the world to conduct buy and sell that followed the Islamic law. In this era, a rapid expansion of the Islamic financial services industry due to the increasing of people awareness about Islamic finance, that is why Islamic finance has been gained wider acceptance and has expanded the pillar of the Muslim-based economies into major industrial economies (Mohamed Sherif and Nor Azlina Shaairi,2013). Islamic finance is no longer a niche product but is now offered in more than 60 countries (UKIFS,2012).

After that, the international country have a great awareness of Islamic finance and it has become increasingly the usage of international financial system. In a global environment that has become increasingly challenging and unstable market situation, Islamic finance has emerged of a way to overcome the problem (Mohamed Sherif and Nor Azlina Shaairi,2013).

The research also stated that the increasing developments of the Islamic financial system, the Takaful industry has rapid growth and develop, Islamic insurance is important source of enhancing the Shariah that is the Islamic law that protect against vulnerability or risk arising from the unstable market. Takaful was first introduced to the public in 1979 in Sudan and has since evolved and developed in several other jurisdictions, as witnessed by the increase in the total amount of Takaful contribution (premium) as well as the increase in the number of strong Takaful and retakaful (Islamic reinsurance) players(Mohamed Sherif and Nor Azlina Shaairi,2013). The Malaysian Takaful industry has experienced encouraging growth since its inception in 1985. Annual growth rate of the industry has been estimated at 20% (Hendon Redzuan, et.al,2009)

Due to the increase usage of Takaful, this research will been conducted to see the determinants factor that influence Takaful awareness among part 5 UiTM KBM students whether there know or aware of the Takaful product that been selling by the agent, bank or insurance or even they have been purchasing it. The research also been conducted to see